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Information newsletter to employers from the Department of Public Health and Human Services
Child Support Enforcement Division (CSED)



Dear Montana Employer:

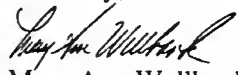
Thank you for your continued efforts to help collect child support through wage withholding. Your role in the child support enforcement system is essential to ensure children receive financial support from their parents. Last year, the Child Support Enforcement Division and our employer partners collected a record \$33.5 million in child support.

Child support plays a key role in welfare reform. Regular child support payments can help families become financially self-sufficient. As welfare benefits now have a maximum time limit of five years, child support will become even more crucial to help families stay off welfare.

In the 1997 Legislative Session, the department will be introducing some major legislation mandated by the federal welfare reform act to strengthen the national child support enforcement system. This legislation will include employer reporting of new hires and direct income withholding by other states' child support enforcement agencies. Once enacted, these new laws will help children receive support earlier and faster than they would otherwise.

In recognition of the important role Montana employers serve in the child support system, the Child Support Enforcement Division has added a new staff position whose main job is to assist Montana employers. Julie Bailey is our "employer liaison". Julie has been with the division for 10 years, has direct experience in working with the private sector, and looks forward to working with you. Please feel free to call her, through our Customer Service Unit, if you have a particular question or concern about the employer's role in the child support enforcement system. Our Customer Service Unit has been directed to transfer employer calls directly to Julie when employers state they are calling about "employer relations issues". Of course, you may continue to call our toll-free Customer Service Unit at 1-800-346-5437 if you have questions about your responsibilities in a particular case.

Sincerely,


Mary Ann Wellbank
Administrator

Employers Vital to Effective Child Support Enforcement

Employers play a vital role in child support enforcement and make a valuable contribution to the lives of Montana's children. In 1996, employers were directly responsible for collecting over \$12 million, thirty-six percent of the total Child Support Enforcement Division (CSED) collections which were more than \$33.5 million. The cooperation between employers and CSED encourages parental responsibility, reduces the burden on Montana taxpayers through reduced public assistance and Medicaid costs and helps families provide for their children.

This newsletter contains information to inform you about employer responsibilities, explains recent and proposed changes in child support laws. Communication is a two-way street and we certainly appreciate your feedback. Feel free to direct any comments or concerns you have to Child Support Enforcement Division, Attn: WAGES Newsletter, 3075 North Montana Avenue, P.O. Box 202943, Helena, Montana 59620-2943.



Winter 1997

New Hire Reporting

Montana CSED is proposing New Hire Reporting legislation to the 1997 Legislature. Starting October 1, 1997, the federal government is mandating all states, who do not have New Hire Reporting (NHR), to operate a State Directory of New Hires (SDNH). To conform to the federal welfare reform act, states must enact laws requiring employers to report new hires or rehiring of an employee ~~to whom~~ to whom the employer anticipates paying income within 20 days of the date of hire. If the new law is passed, employers must furnish a report that contains the employee name, address and Social Security Number (SSN) and the employer name, address, and federal employer identification number to the SDNH. CSED will keep employers informed about NHR in the WAGES Newsletter.

Electronic Funds Transfers (EFT) Electronic Data Interchange (EDI)

Child Support Enforcement Division (CSED) is pleased to announce our EFT/EDI capabilities for employers. Electronic Funds Transfer (EFT) is any transfer of funds that is initiated through a terminal, telephone, computer, or magnetic tape for the purpose of instructing or authorizing, by means of a structured format, a financial institution to debit or credit an account. Electronic Data Interchange (EDI) is the electronic movement of business data with funds through the banking system. EFT/EDI provides companies an efficient way of transferring employees' child support payments directly from employer's payrolls to the state child support agency. The system allows employers to make payments electronically instead of issuing paper checks which in turn, reduces processing costs for employers and child support agencies responsible for the payments. There are several advantages in using EFT/EDI technology for transmitting child support wage withholding payments that include:

- Eliminating the preparation and transmission of checks by employers;
- Eliminating manual posting and deposit of checks; and
- Reducing payment disbursement time to those receiving child support payments.

Traditional EFT involves a limited amount of data -- originating bank account number, identifying name, and destination bank account number. Child support requires additional EFT data and EDI information to accompany

payments so they can be properly credited. The information record identifies the employee, the Social Security Number, child support account number, date of collection, and amount of the payment.

Montana CSED encourages employers to use this form of payment especially if you have more than one employee and have a computerized system. CSED uses a specific software program provided by BDM Technologies of Helena, Montana, which is used by several states in transmitting child support payments to Montana. Lockheed IMS of Denver, Colorado and Netstar Corporation of Selmer, Tennessee also provide computer software free of charge to Montana employers. Lockheed IMS provides software and a demonstration diskette of the employer EFT.

If you would like to use the EFT/EDI method of transmitting payments or would like more information, contact Maggie Baertsch, Child Support Enforcement Division, Financial Services Unit, P.O. Box 202943, Helena, Montana, 59620-2943. (406)444-2775.

Changes Made by the 1995 Legislature

Two years ago, the 1995 Montana Legislature made changes to the child support enforcement laws, some of which impact employers. First, House Bill 55 added provisions to the court administered income withholding procedures found at MCA § 40-5-301 et seq. making it consistent with the administrative withholding provisions found in MCA § 40-5-401 et seq. These new provisions apply to income withholding orders issued by a Montana District Court, just as the existing provisions found at MCA § 40-5-401 et seq. apply to income withholding orders issued by the CSED. Features of the bill applicable to employers include:

- a. Upon the receipt of an income withholding order from a District Court, an employer must deduct the ordered amount beginning the first pay period that occurs after 14 days have expired from the service of the order. After deduction, employers must forward the withheld payment to the court within 10 working days.
- b. If an employer receives more than one income withholding order from the same District Court, the employer may combine all deducted amounts into one monthly payment and send it to the District Court. The employer, however, must indicate which portion of the total payment is attributable to which employee.
- c. If an employer receives more than one income withholding order for one employee, the employer must comply with the orders in the sequence in which they were served on the employer. However,

income withholding orders issued by the Montana CSED have priority over all other withholding orders. The amount deducted from the employee's wages or salary must not exceed the limits set in MCA § 40-5-309.

- d. The employer must notify the Clerk of the District Court when the employee's employment is terminated and must provide the last-known address of the employee and, if known, the name and address of the new employer.
- e. An employer may not discharge, discipline, or refuse to hire an employee because the employee has a child support obligation or is the subject of an income withholding order. Under MCA § 40-5-313, an employer who violates the provisions of this section may be fined not more than \$100.
- f. An employer who refuses to honor an income withholding order or fails to reinstate an income withholding order on a newly **rehired** employee, is liable to the custodial parent of the support order for the total amount that the employer should have deducted and remitted.

The above requirements became effective March 29, 1995.

Second, Senate Bill 29, MCA § 40-5-416, provides relief for those employers with weekly or biweekly payroll systems. Specifically, if a support order subject to income withholding is expressed in terms of a monthly obligation, an employer may annualize the order and withhold on a weekly or biweekly basis, corresponding to the employee's regular pay period. If withholding is annualized and deducted in equal amounts, the amount withheld each pay period must be sufficient to pay all installments due in a 12-month period under the order to withhold. This change became effective October 1, 1995.

Employers are encouraged to contact the Customer Service Unit concerning questions about these changes to the child support enforcement laws.

Repeals

On December 1, 1989 the Child Support Enforcement Division mailed all employers in Montana a booklet to explain the policies and procedures of the division. It was titled "Kids, They're worth every penny". Employers were informed (on page 3) of their responsibility to have new employees hired after January 1, 1990, complete a support obligation disclosure form regarding any child support obligation they may have. This form was to be retained on record for three years or one year after the date employment is terminated. This law, MCA § 40-5-525, was repealed in 1991. Employers are no longer required to ask new employees for this information or have the form filled out.

Customer Service Unit

The CSED of the Department of Public Health and Human Services is proud to announce the one year anniversary of our centralized Customer Service Unit (CSU).

A team of specially trained Customer Service Representatives, who are professionals with expertise in child support and division operations, respond to telephone calls between 8:00 A.M. and 5:00 P.M. Monday through Friday except for State of Montana holidays. These trained staff members can access a CSED case and answer most questions. All case information is maintained on a central computer system, and the CSU is able to update any information you provide as well as respond to your inquiry. Due to strict confidentiality rules, the CSU is limited in the information that can be released. However, the CSU can provide general information about child support policies and procedures.

The CSED installed additional telephone lines to allow easier access to our services. To call the CSU dial (406) 442-7278 from the local Helena calling area or out-of-state and 1-800-346-5437 from other Montana locations. To expedite your call, you should provide the CSU with the obligor case number and Social Security Number if you are calling about a specific case. The case number is located on the upper right hand corner of most CSED documents. Please refer to your Order to Withhold Income or Order to Enroll for the CSED case number.

The CSED is pleased to offer this service. We know how important it is for an employer to get immediate, concise and accurate answers to questions about their responsibilities. CSU answered 157,182 total calls from 1/96 to 12/96 of which 5,036 were from employers. In the future, we hope you will provide us with suggestions for improvement and tell us how we are doing by writing to:

Department of Public Health and Human Services
Child Support Enforcement Division
Attn: WAGES Newsletter
3075 N. Montana Avenue, Suite 112
P.O. Box 202943
Helena MT 59620-2943

The CSED looks forward to continuing to give you the top quality service you deserve.

Local Child Support Offices

Region 8 - Interstate Region
P.O. Box 202943
Helena MT 59620-2943
(406) 442-7278 - Out of State/Helena area
(800) 346-5437

Region 2 - Great Falls
Southside Plaza, Suite D
219 5th Street South
Great Falls MT 59405
(406) 442-7278 - Out of State/Helena area
(800) 346-5437

Region 3 - Billings
2121 Rosebud Drive, Suite E
Billings MT 59102
(406) 442-7278 - Out of State/Helena area
(800) 346-5437

Region 4 - Butte
17 West Galena
Butte MT 59102
(406) 442-7278 - Out of State/Helena area
(800) 346-5437

Region 5 - Missoula
1610 South 3rd West, Suite 201
Missoula MT 59801
(406) 442-7278 - Out of State/Helena area
(800) 346-5437

Child Support Enforcement Acronyms

CSED	Child Support Enforcement Division
CSU	Customer Service Unit
CP	Custodial parent or parent who is owed child support
DOC	Date of Collection
EFT	Electronic Funds Transfer
EDI	Electronic Data Interchange
MCA	Montana Codes Annotated
NHR	New Hire Reporting
NCP	Non-custodial parent or parent who owes child support
Obligee	Parent who is owed child support
Obligor	Parent who owes child support
PAR ID	Participant Identification (located on all Orders to Withhold Income and Orders to Modify/Terminate Income Withholding)
SDNH	State Directory of New Hires
SSN	Social Security Number
UIFSA	Uniform Interstate Family Support Act
WAGES	Withholding and Guidance for Enforcement of Support

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